



Metro Nashville

DISTRICT ENERGY SYSTEM

Metro District Energy System Advisory Board Regularly Scheduled Meeting of August 21, 2014

Minutes of Meeting

The meeting was held at the Energy Generation Facility at 90 Peabody Street Nashville, TN 37210

Facilitators: Harry Ragsdale, DES Project Contract Administrator and Kevin Jacobs, Thermal Engineering Group

Board Members Present:

Karen Bennett
Alan Robertson
Brian Taylor

Board Members not Present:

Yuri Cunza
Richard Fletcher
Jim Harbison
Richard Riebeling
Tom Turner
Nancy Whittemore

Others Present:

Bob Lackey, DES Liaison
Glenn Mohon, Metro General Services
Jim Thiltgen, MDHA
Eddie Wisdom, CNE Operations Manager
Johanna Young, DES Advisory Board Secretary

The meeting was called to order by the Chair and began at 10:04 A.M.

A motion to approve the minutes of the May 15, 2014 Board Meeting was made, seconded and approved by the Board.

At the request of the Chair, Mr. Ragsdale proceeded with the presentation to the Board.

Mr. Ragsdale reviewed the customer cost comparison table for the fourth quarter of FY14. On an aggregate basis for the previous twelve (12) months, the steam costs were up 18.98% and chilled water costs were also up 6.25%. Due to energy prices and weather conditions, there was a significant increase in steam and chilled water usage.

Mr. Ragsdale and Mr. Jacobs reviewed and discussed graphs detailing the historic chilled water and steam consumptions for all customers relative to the heating and cooling degree days. In general, the MCC's chilled water and steam usage is more efficient than last year. In January 2014, Nashville had the highest number of heating degree days since 2003 due to the cold weather.

Mr. Ragsdale and Mr. Jacobs discussed the contractor's performance for the current fiscal year and reviewed conversion tables for electricity, water, and plant efficiency. The contractor's performance continues to remain excellent in all areas.



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Mr. Ragsdale and Mr. Jacobs discussed the contractor's performance for water treatment. The plant is getting more than 80% of the condensate back from the customers. The contractor's performance is excellent in all areas of water treatment.

Mr. Ragsdale and Mr. Jacobs reviewed the results of the inspections of both the Energy Generating Facility (EGF) and the Energy Distribution System (EDS). Mr. Jacobs stated that Constellation does an excellent job with maintaining and operating the facility. Due to serious work and maintenance on the vaults, the distribution system has been well maintained and efficiency has increased.

Mr. Jacobs discussed graphs showing a comparison of the actual and projected gas costs for FY14. Due to the cold winter and the interruptible gas supply, propane was used. The plant operated more efficiently than budgeted, but steam use exceeded the budgeted amount by 20%. Due to the price of propane at \$26.28 per unit and the premium paid for the use of natural gas during a curtailment, the total cost of gas was 25% higher than budgeted not including contingencies. The overall consumption of natural gas was slightly under budget including the contingencies.

Mr. Ragsdale and Mr. Jacobs discussed a potential project that is underway to switch to No. 2 diesel fuel as an alternative fuel source. No. 2 diesel fuel is more affordable and easier to access during winter months.

Mr. Ragsdale and Mr. Jacobs reviewed the FY14 operating costs to date and the FY15 budget. Through the end of this period of operations, approximately 93.75% of the FY14 budget of \$21,648,600 has been expended. The FY15 budget has an increase of 2.43% from FY14 due to an increase in estimated natural gas consumption and contingencies related to the cold winter of 2014.


Mr. Jacobs provided the Board with an update on capital expenditures. Bond fund expenditures and available balances were reported and summarized. The total amount spent as of the end of the fourth quarter of FY14 was \$857,894. The total remaining balance as of 06/30/14 was \$2,658,666.


Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects. The Active Capital projects include tunnel repairs as well as developing a TOU (Time of Use) program to deal with invoicing changes. The Board also received an update on the projects in close-out.

Mr. Ragsdale discussed the potential of marketing to new customers. Currently, the plant is operating at full capacity. Mr. Ragsdale discussed the possibility of a joint project with the city relating to the park development at the old NTTC site which would provide infrastructure enhancements to the park project while reducing operating costs at the DES.

Without further discussion, and upon a motion, the meeting was adjourned by the Chair.

The next Board Meeting will be held Thursday, November 20, 2014 at 10:00 A.M.

Approved: 
Seretha Nobbin, DES Advisory Board Secretary
(Minutes prepared by Johanna Young)
Date: 3/19/15

Approved: 
Karen Bennett, Chair, DES Advisory Board
Date: 3/19/15



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Approved: Bob Lackey

Bob Lackey, DES Liaison

Date: 3-19-15